IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

FIRST APPEAL No 4609 of 2001

Hon'ble MR.JUSTICE Y.B.BHATT

and

Hon'ble MR.JUSTICE M.H.KADRI

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1. Whether Reporters of Local Papers may be allowed to see the judgements? : YES

2. To be referred to the Reporter or not? : NO

3. Whether Their Lordships wish to see the fair copy of the judgement? : NO

4. Whether this case involves a substantial question of law as to the interpretation of the Constitution of India, 1950 of any Order made thereunder? : NO

5. Whether it is to be circulated to the Civil Judge? : NO

NEW INDIA ASSURANCE CO.LTD.

Versus

BHABHLUBHAI JAGUBHAI VALA

Appearance:

MR PV NANAVATI for Appellant

MR SHAKEEL A QURESHI for Respondent No. 1

NOTICE SERVED BY DS for Respondent No. 2

CORAM : MR.JUSTICE Y.B.BHATT

and

MR.JUSTICE M.H.KADRI

Date of decision: 23/01/2002

ORAL JUDGEMENT

(Per : MR.JUSTICE Y.B.BHATT)

1. On a joint request of learned counsel, this appeal is taken up for final hearing today.

2. We have heard learned counsel for the appellant Insurance Company and Mr. Shakeel Qureshi, learned counsel for the respondent no.1-original claimant.

3. This is an appeal under section 173 of the Motor Vehicles Act, at the instance of the Insurance Company, challenging the judgement and award passed by the Motor Accident Claims Tribunal (Main), Amreli, under section 163-A of the said Act.

4. It is pertinent to note that the said award has been passed as an interim award by passing an order below Exh.5 in the main claim petition under section 166 of the Act viz. Motor Accident Claim Petition No.610/2000. The main claim petition is yet pending.

5. Learned counsel for the appellant contends that the Tribunal has erred in law in treating the said Claim Petition under section 163-A as a claim of an interim nature, and has dealt with it in a manner similar to a claim under section 140 of the said Act. It was contended that on account of this approach on the part of the Tribunal, the appellant Insurance Company had no opportunity of leading appropriate evidence and/or meeting the contentions of the original claimants in these proceedings under section 163-A. According to the learned counsel for the appellant, the law as laid down by the Supreme Court does not permit the claimants to pursue a claim under section 163-A of the Act, whether by way of an interim application or even by way of a final decision, as long as the main claim under section 166 of the said Act is pending adjudication. In other words, learned counsel for the appellant contends that the claims filed under section 163-A and section 166 of the said Act are in the nature of alternative remedies, and only one of such remedies can be pursued, whereas the two remedies cannot be pursued simultaneously or in succession. We are obliged to accept this contention on the part of the learned counsel for the appellant in view of the clear decision of the Supreme Court in the case of The Oriental Insurance Co. Ltd. Vs. Hansrajbhai V. Kodala and others, reported in JT 2001(4) SC 477. It is, therefore, obvious that on the facts of the case, since the main claim petition under section 166 of the Act is pending, the Tribunal had no jurisdiction either to

entertain or to decide a claim under section 163-A of the said Act. In the premises aforesaid, the impugned award under section 163-A is required to be quashed and set aside. We hold and direct accordingly.

6. The facts of the case, however, require further directions to be given in respect of the amount which may have been deposited by the appellant before the Tribunal, in respect of the impugned award under section 163-A of the said Act.

7. On the facts of the case we note that by an ad interim order dated 18th December 2001 in Civil Application No.11284/2001, this Court had granted ad interim stay against execution of the impugned award on condition that the applicant Insurance Company deposits the entire amount of the award together with costs and interest before the Tribunal. Learned counsel for the appellant, however, is not clear as to whether the said deposit has been made as of today or not.

8. In view of the fact that the impugned award under section 163-A has been quashed and set aside, it would normally follow that the appellant Insurance Company would be entitled to restoration of the status quo ante. However, we are mindful of the fact that the main claim under section 166 is yet pending adjudication and are also mindful of the fact that in such a claim petition, it is always open to the claimants to prefer an application under section 140 of the said Act.

9. In the premises aforesaid, and on the facts of the case, we hold by consensus between the learned counsel for the parties that it would be open to the respondents - original claimants to prefer an application under section 140 in the claim petition, now pending under section 166 of the said Act.

10. On the facts of the case, therefore, it would be appropriate to direct that it shall be open to the appellant Insurance Company to apply to the Tribunal for a refund of that amount which is in excess of Rs.25000/(which amount will be payable to the original claimant under section 140). However, the direction as to withdrawal by the claimants of the amount of Rs.25000/- shall be subject to the claimants filing an undertaking before the Tribunal to the effect that the claimants shall pursue the main claim petition under section 166 of the Act, and obtain an adjudication thereon, on merits and in accordance with law, and that they shall not permit this application to be withdrawn or

dismissed for default, or be disposed of in any other manner, and that this amount of Rs.25000/- withdrawn by the applicant shall be adjusted in the final award under section 168 of the said Act. If such an undertaking is not filed along with an application under section 140 of the said Act, it shall be open to the appellant Insurance Company to apply to the Tribunal for restitution of this amount of Rs.25000/- disbursed in favour of the original claimants.

11. This appeal is, therefore, allowed to the aforesaid extent with no order as to costs. Decree accordingly.

12. It requires to be noted that on the facts and circumstances noted hereinabove and in view of the directions consequently issued, it would be appropriate for the Tribunal to expedite the hearing of the main claim petition under section 166 of the said Act, and to dispose of the same as early as possible in consonance with the date of its filing and the workload before the Tribunal.

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